



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 18, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#18 MAY 18, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SET FOR HEARING: JUNE 9, 2010 AT 9:30 A.M.

Dear Supervisors:

**APPROVE A RESOLUTION OF INTENTION AND APPROVE THE
INTRODUCTION OF AN ORDINANCE TO GRANT A TEN-YEAR PROPRIETARY
PETROLEUM PIPELINE FRANCHISE TO POWER RUN OIL, LLC
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

Approval of these recommendations will renew an existing proprietary petroleum pipeline franchise to Power Run Oil, LLC, for petroleum pipelines located in the unincorporated areas of Westmont/West Athens and West Compton/Willowbrook.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a Resolution of Intention to grant a ten-year proprietary petroleum pipeline franchise to Power Run Oil, LLC, a California limited liability company (Power Run), to renew Power Run's existing franchise rights.
2. Introduce, waive reading, and place on your Board's agenda an ordinance to grant Power Run a ten-year proprietary petroleum pipeline franchise, setting the matter for public hearing on June 9, 2010, and instructing the Executive Officer of your Board to publish a notice of the public hearing pursuant to California Public Utilities Code Section 6232.
3. Find that this franchise renewal project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only*

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the ordinance to grant Power Run a petroleum pipeline franchise, becoming operative July 12, 2010, the day after the existing franchise will expire.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these recommendations is for your Board to approve a Resolution of Intention, introduce an ordinance, schedule a public hearing, and publish a notice of the public hearing to adopt an ordinance to renew Power Run's existing franchise rights.

Implementation of Strategic Plan Goals

The County Strategic Plan directs that we maximize and support timely delivery of efficient public services (Goal 1). Your Board's approval of these recommendations to grant Power Run a petroleum pipeline franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

Power Run has paid the County a one-time fee of \$5,000 to process an ordinance to renew the franchise, and will to pay a base annual fee of \$1.50 per cubic foot of highway space occupied. Using the length of Power Run's pipelines, the base annual fee will be \$6,470, adjusted upward each year using the Producer Price Index.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 11, 1985, your Board adopted Ordinance No. 85-0101F, granting a 25-year County-wide proprietary petroleum pipeline franchise to R. A Pantages, which became effective on July 12, 1985, and will expire on July 11, 2010. By adopting two amending ordinances (2003-0018F and 2004-0046F), your Board transferred the franchise to Power Run, and expanded the franchise area to reflect Power Run's 2003 acquisition of the "Rosecrans Gas Gathering System" in the Westmont/West Athens area.

Power Run owns and operates four oil and gas wells in the "Howard Townsite" oil field in Westmont/West Athens, where Power Run uses the Rosecrans Gas Gathering System to transport gas between well sites and to a local gas processing plant, and one well in the "Rosecrans" field in West Compton/Willowbrook, where Power Run maintains and operates a pipeline used to transport waste water.

Due to a minor leak event in October 2007, portions of the Rosecrans Gas Gathering System are currently inactive, while Power Run completes its evaluation whether to repair the pipeline system, or to apply for County approval to excavate and remove and/or abandon these pipelines in place in accordance with accepted industry procedures and in compliance with the County Highway Code (16.52.300).

The Honorable Board of Supervisors
May 18, 2010
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The Department of Public Works and County Fire Department have reviewed this recommendation and have no objections to the renewal of the Power Run franchise. County Counsel has reviewed the Resolution of Intention and accompanying ordinance to grant Power Run a franchise and approved them as to form.

Pursuant to Section 6232 of the California Public Utilities Code, the Executive Officer of the Board shall arrange for publishing of a notice of the public hearing in a newspaper of general circulation in the County at least once within 15 days after your Board's adoption of the Resolution of Intention.

ENVIRONMENTAL DOCUMENTATION

This franchise renewal project is categorically exempt under CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will not impact any current services or future projects.

CONCLUSION

Instruct the Executive Officer, of the Board of Supervisors, to send conformed copies of the adopted Board recommendation, Resolution of Intention, and franchise ordinance, Attention: Mr. Roger Hunt, Owner, Power Run Oil, LLC, 726-A Guadalupe Avenue, Redondo Beach, CA 90277, and the offices of County Counsel, Department of Public Works, Fire Department, and the Chief Executive Office, Real Estate Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:WLD
CM:RB:kb

c: Executive Office, Board of Supervisors
County Counsel
Department of Public Works
Fire Department

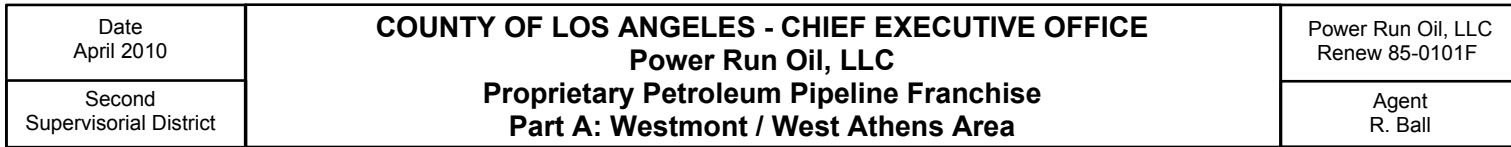
PowerRun_Brd

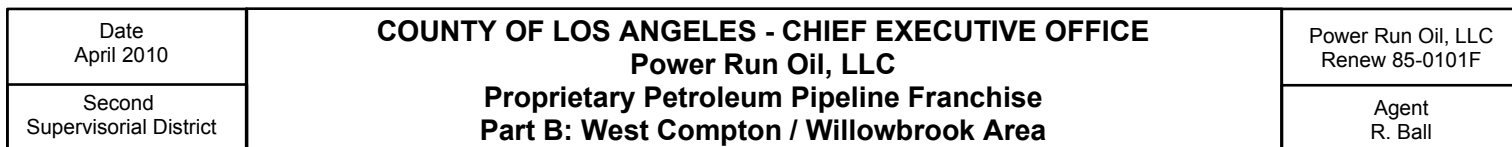
FRANCHISE AREA MAPS

Franchise Area Maps

Power Run Oil, LLC

These maps illustrate the unincorporated areas affected by the franchise and are provided for the convenience of the reader.





RESOLUTION OF INTENTION

To Grant a

Ten-Year Proprietary Petroleum Pipeline Franchise

To

Power Run Oil, LLC

**RESOLUTION OF INTENTION TO GRANT A PROPRIETARY
PETROLEUM PIPELINE FRANCHISE TO POWER RUN OIL, LLC**

BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles,
State of California:

A. Power Run Oil, LLC, a California limited liability company ("Franchisee"), has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a franchise for a period of ten (10) years, beginning on July 12, 2010, the effective date of the franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, remove, or abandon in place, pipes and pipelines for the collection, transportation, or distribution of petroleum, oil, gas, gasoline, or other liquid hydrocarbon products, wet gas, industrial gas, chemicals, mud, steam, water, waste water, and other liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. section 9601 et seq., and amendments thereto, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, and cables for adjunct communications lines, and other appurtenances and equipment for telegraph or telephone lines, or both, necessary or appropriate solely for the Franchisee's operations, in, under, along, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use in the unincorporated territory of the County of Los Angeles, State of California, within the franchise areas described in the proposed ordinance attached hereto as Exhibit "A," and depicted on the exhibit maps attached to said ordinance.

B. It is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to grant the franchise applied for upon the terms and conditions herein mentioned. The Franchisee, and its successors and assigns will, during the life of its franchise, pay to the County of Los Angeles the amount specified in the proposed ordinance annually from the date of the granting of the franchise, and in the event such payment is not made, the franchise will be forfeited.

C. The franchise is described in the Ordinance attached hereto as Exhibit "A" and is a franchise for proprietary petroleum pipeline purposes.

D. That on the 9th day of JUNE, 2010, at the hour of 9:30 a.m., a day not less than twenty (20) nor more than sixty (60) days after the date of the passage of this resolution, in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.

E. The Executive Officer, Board of Supervisors, shall cause a notice of said hearing to be published at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles.

The foregoing resolution was on the 18th day of MAY, 2010, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.



SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By

Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By

GRACE V. CHANG

Senior Deputy County Counsel
Contracts Division

POWR

18 OF MAY 18 2010